



**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2023**

**BUSINESS STUDIES P1**

**MARKS: 150**

**TIME: 2 hours**



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This question paper consists of 9 pages.

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**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully before answering the questions.

1. This question paper consists of THREE sections and covers TWO main topics.

SECTION A: COMPULSORY

SECTION B: Consists of THREE questions.

Answer any TWO of the three questions in this section.

SECTION C: Consists of TWO questions.

Answer any ONE of the two questions in this section.

2. Read the instructions for each question carefully and take note of what is required.

Note that ONLY the answers to the first TWO questions selected in SECTION B and the answers to the FIRST question selected in SECTION C will be marked.

3. Number the answers correctly according to the numbering system used in this question paper. NO marks will be awarded for answers that are numbered incorrectly.
4. Except where other instructions are given, answers must be written in full sentences.
5. Use the mark allocation and nature of each question to determine the length and depth of an answer.
6. Use the table below as a guide for mark and time allocation when answering each question.

SECTION	QUESTION	MARKS	TIME (minutes)
<b>A: Objective-type questions COMPULSORY</b>	<b>1</b>	<b>30</b>	<b>20</b>
<b>B: THREE direct/indirect type questions CHOICE: Answer any TWO.</b>	<b>2</b>	<b>40</b>	<b>70</b>
	<b>3</b>	<b>40</b>	
	<b>4</b>	<b>40</b>	
<b>C: TWO essay-type questions CHOICE: Answer any ONE.</b>	<b>5</b>	<b>40</b>	<b>30</b>
	<b>6</b>	<b>40</b>	
<b>TOTAL</b>		<b>150</b>	<b>120</b>

7. Begin the answer to EACH question on a NEW page, e.g. QUESTION 1 – new page, QUESTION 2 – new page.
8. You may use a non-programmable calculator.
9. Write neatly and legibly.

**SECTION A (COMPULSORY)****QUESTION 1**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK, for example 1.1.6 D.

1.1.1 The impact of ... on businesses as a socio-economic issue may lead to employees having to repeat a work task.

- A ethical misconduct
- B economic crime
- C exhaustion of natural resources
- D lack of skills

1.1.2 Freedom Bank operates in the ... sector as they specialise in offering banking services.

- A primary
- B tertiary
- C economic
- D secondary

1.1.3 The component of the marketing communication policy that is not paid for by the business, is known as ...

- A publicity.
- B advertising.
- C sales promotion.
- D personal selling.

1.1.4 Fred Juices use ... during production planning to work out the time needed for performing of each task in their production system.

- A planning
- B routing
- C scheduling
- D loading

1.1.5 The purpose of a/an ... is to determine the candidate's suitability for a position based on their skill, experience and qualification.

- A induction programme
- B employment contract
- C recruitment process
- D interview

(5 x 2) (10)

- 1.2 Complete the following statements by using the word(s) provided in the list below. Write only the word(s) next to the question numbers (1.2.1 to 1.2.5) in the ANSWER.

psychographics; full; external; go-slow; intermediaries; demographics;  
strike; internal; no; suppliers

- 1.2.1 The statistics of the population such as gender, age, race and level of education, is known as ...
- 1.2.2 Kebu Logistics has ... control over the economic environment.
- 1.2.3 Employees participate in a ... when they deliberately delayed their productivity at work.
- 1.2.4 The middlemen that act as negotiators between producers and the consumer, are known as ...
- 1.2.5 Floor Trading used ... recruitment when advertising the vacancy of store manager in the local newspaper.

(5 x 2) (10)



1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–J) next to the question numbers (1.3.1 to 1.3.5) in the ANSWER BOOK, for example 1.3.6 K.

COLUMN A		COLUMN B	
1.3.1	Customers	A	the process of classifying agricultural products into categories according to their quality
1.3.2	Difficult employees	B	involves any adjustments made to the planning process
1.3.3	Standardisation	C	the new employee's skills are matched with the requirements of the position
1.3.4	Corrective action	D	component of the market environment
1.3.5	Placement	E	employees that often compete for promotions
		F	the new employee is introduced to their new workplace environment
		G	component of the macro environment
		H	involves the checking of the quality of the production process and the final product
		I	the process of ensuring that all goods produced are of equal quality
		J	employees that often complain about work systems

(5 x 2) (10)

**TOTAL SECTION A: 30**



**SECTION B**

Answer ANY TWO questions in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of each question that you choose. The answer to EACH question must start on a NEW page, e.g. QUESTION 2 on a new page, QUESTION 3 on a NEW page.

**QUESTION 2: BUSINESS ENVIRONMENTS**

- 2.1 Name any THREE components of the micro environment. (3)
- 2.2 Briefly outline the functions of trade unions. (6)
- 2.3 Read the scenario below and answer the questions that follow.

**ULNA TRADERS (UT)**

The management at Ulna Traders is desperately trying to control its environment and the behaviour of other businesses by forming power relationships. They gained valuable advice from powerful influential people after inviting them to be part of their board of directors.

- 2.3.1 Identify the way UT had formed a power relationship in the scenario above. (2)
- 2.3.2 Describe ONE other way in which businesses can form a power relationship. (3)
- 2.4 Explain the negative impact of strikes as a socio-economic issue on businesses. (6)
- 2.5 Read the scenario below and answer the questions that follow.

**KUHLE FOODS (KF)**

Kuhle Foods is experiencing many challenges. They are struggling to find a reliable provider of vegetables. The management of KF do not have a clear plan of where the business is going. Two other food retailers have also opened in the same area.

- 2.5.1 Quote TWO challenges of the market environment for KF in the scenario above. (2)
- 2.5.2 Explain ways in which businesses can overcome competition in the market. (6)
- 2.6 Discuss the relationship between the primary, secondary and tertiary sectors. (6)
- 2.7 Suggest ways in which businesses can have a direct influence on the environment. (6)

**[40]**

**QUESTION 3: BUSINESS OPERATIONS**

- 3.1 Name any TWO quality control bodies. (2)
- 3.2 Outline the advantages of production planning. (4)
- 3.3 Read the scenario below and answer the questions that follow.

**ZAJEED MANUFACTURERS (ZM)**

Zajeed Manufacturers specialise in the manufacturing of office furniture. ZM make use of intermediaries to distribute their products. They use other businesses to sell to consumers in small quantities.

- 3.3.1 Identify the type of intermediary used by ZM. (2)
- 3.3.2 Explain the reasons why ZM as a manufacturer may prefer to make use of indirect distribution methods. (6)
- 3.4 Describe any TWO categories of consumer goods. (6)
- 3.5 Discuss the purpose of advertising. (4)
- 3.6 Read the scenario below and answer the question that follows.

**ECO TRADING (ET)**

Eco Trading advertised the position for a purchasing manager on the business notice board. They indicated that the person should preferably have a diploma in management. The purchasing manager will be responsible for ordering stock and liaising with suppliers.

- 3.6.1 Identify TWO components of the job analysis applicable to the position at ET. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 3.6.1.

COMPONENTS OF THE JOB ANALYSIS	MOTIVATIONS
1.	
2.	

- 3.7 Differentiate between *piecemeal* and *time-related salary determination*. (4)
- 3.8 Advise businesses on the legal requirements of an employment contract. (6)

**[40]**

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS**

- 4.1 State any TWO challenges in the macro environment. (2)
- 4.2 Outline THREE examples of contemporary legislation that may affect business operations. (6)
- 4.3 Read the scenario below and answer the question that follows.

**SOLAR DRONES (SD)**

Solar Drones developed a drone that is operated with solar power and no batteries need to be replaced. SD was worried that other businesses would copy their design, so they registered their new invention. They also used a very special symbol of a glowing sun to enable customers to identify their drones.

- 4.3.1 Identify TWO solutions to piracy implemented by SD. Motivate your answer by quoting from the scenario above.

Use the table below as a GUIDE to answer QUESTION 4.3.1.

SOLUTIONS TO PIRACY	MOTIVATIONS
1.	
2.	

- 4.4 Explain the purpose of the Labour Relations Act (LRA), 1995 (Act 66 of 1995). (6)

**BUSINESS OPERATIONS**

- 4.5 State any FOUR types of packaging. (4)
- 4.6 Outline the selection procedure as a human resources activity. (4)
- 4.7 Read the scenario below and answer the questions that follow.

**SOFTY BLANKETS (SB)**

Softy Blankets specialises in manufacturing of blankets. The management ensures that SB comply with the Occupational Health and Safety Act. SB ensures that their first aid boxes are always available. They also make fire extinguishers available in the workplace.

- 4.7.1 Quote TWO ways in which SB complies with the Occupational Health and Safety Act. (2)
- 4.7.2 Explain other ways in which SB can comply with the Occupational Health and Safety Act. (4)
- 4.8 Recommend precautionary measures that businesses should take when handling machinery. (6)

**[40]****TOTAL SECTION B: 80**



**SECTION C**

Answer ANY ONE question in this section.

**NOTE:** Clearly indicate the QUESTION NUMBER of the chosen question. The answer to the question must start on a NEW page, e.g. QUESTION 5 on a NEW page or QUESTION 6 on a NEW page.

**QUESTION 5: BUSINESS ENVIRONMENTS (ADAPTING TO CHALLENGES OF THE BUSINESS ENVIRONMENT)**

Businesses use networking and lobbying to meet their specific needs and activities. Successful businesses have the ability to adapt to the many challenges that their businesses face. Businesses should undertake projects that can benefit their community due to the benefits of these projects for businesses and the community.

Write an essay on adapting to challenges of the business environment in which you include the following aspects:

- Outline the advantages of networking.
- Explain the following types of lobbying:
  - Hedging against inflation
  - Bargaining sessions between management and unions
- Discuss any THREE ways in which businesses can adapt to challenges of the business environments.
- Recommend projects that can be undertaken by businesses as part of social responsibility.

**[40]**

**QUESTION 6: BUSINESS OPERATIONS (MARKETING FUNCTION)**

All businesses are aware of the importance of pricing to ensure financial success; therefore marketing managers often experiment with different pricing techniques. It is important for businesses to analyse all the factors that will influence their prices, and to make use of sales promotions to remain competitive in the market.

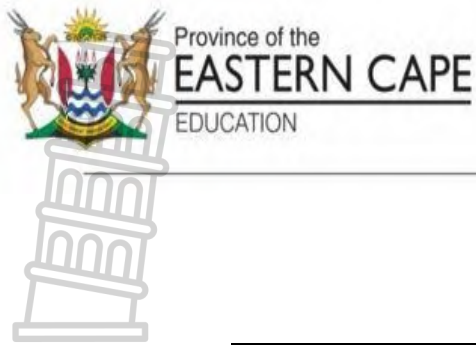
Write an essay on the marketing function in which you include the following aspects:

- Outline the importance of pricing.
- Explain the following pricing techniques:
  - Cost-based pricing
  - Competition based pricing
- Discuss any FOUR factors that influence pricing.
- Advise businesses on the purpose of sale promotions.



**[40]**

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**



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SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2023**

**BUSINESS STUDIES P1  
MARKING GUIDELINE**

**MARKS: 150**



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This marking guideline consists of 36 pages.

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**NOTES TO MARKERS**1. **PREAMBLE**

The notes to markers are provided for quality assurance purposes to ensure the following:

- (a) Fairness, consistency and reliability in the standard of marking
- (b) Facilitate the moderation of candidates' scripts at the different levels
- (c) Streamline the marking process considering the broad spectrum of markers across the country
- (d) Implement appropriate measures in the teaching, learning and assessment of the subject at schools/institutions of learning

For marking and moderation the following colours are recommended:

Marking:	Red
School moderation:	Green
District moderation:	Orange
Provincial moderation:	Purple

2. Candidates' responses must be in full sentences for SECTIONS B and C. However, this would depend on the nature of the question.
3. A comprehensive marking guideline has been provided but this is by no means exhaustive. Due consideration should be given to an answer that is correct but:
  - Uses a different expression from that which appears in the marking guideline
  - Comes from another credible source
  - Original
  - A different approach is used

**NOTE: There is only ONE correct answer in SECTION A.**

4. Take note of other relevant answers provided by candidates and allocate marks accordingly. (In cases where the answer is unclear or indicates some understanding, part-marks should be awarded, for example, one mark instead of the maximum of two marks.)
5. The word 'Sub-max' is used to facilitate the allocation of marks within a question or sub-question.
6. The purpose of circling marks (guided by 'max.' in the breakdown of marks) on the right-hand side is to ensure consistency and accuracy in the marking of scripts as well as for calculation and moderation purposes.

7. Subtotals to questions must be written in the right-hand margin. Circle the subtotals as indicated by the allocation of marks. This must be guided by 'max.' in the marking guidelines. Only the total for each question should appear in the left-hand margin next to the appropriate question number.
8. In an indirect question, the theory as well as the response must be relevant and related to the question.
9. Correct numbering of answers to questions or sub questions is recommended in SECTIONS A and B. However, if the numbering is incorrect, follow the sequence of the candidate's responses. Candidates will be penalised if the latter is not clear.
10. No additional credit must be given for repetition of facts. Indicate with an 'R'.
11. The differentiation between 'evaluate' and 'critically evaluate' can be explained as follows:
- 11.1 When 'evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance, e.g. **Positive:** 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings.' ✓
- 11.2 When 'critically evaluate' is used, candidates are expected to respond in either a positive/negative manner or take a neutral (positive and negative) stance. In this instance candidates are also expected to support their responses with more depth, e.g. 'COIDA eliminates time and costs spent ✓ on lengthy civil court proceedings, ✓ because the employer will not be liable for compensation to the employee for injuries sustained during working hours as long as it can be proved that the business was not negligent.' ✓
- NOTE:**
1. The above could apply to 'analyse' as well.
  2. Note the placing of the tick (✓) in the allocation of marks.
12. The allocation of marks must be informed by the nature of the question, cognitive verb used, mark allocation in the marking guideline and the context of each question.
- Cognitive verbs, such as:
12. Advise, name, state, outline, motivate, recommend, suggest, (*list not exhaustive*) do not usually require much depth in candidates' responses. Therefore, the mark allocation for each statement/answer appears at the end.

12.2 Define, describe, explain, discuss, elaborate, distinguish, differentiate, compare, tabulate, analyse, evaluate, critically evaluate (*list not exhaustive*) require a greater depth of understanding, application and reasoning. Therefore, the marks must be allocated more objectively to ensure that assessing is conducted according to established norms so that uniformity, consistency and fairness are achieved.

13. Mark only the FIRST answer where candidates offer more than one answer for SECTION B and C questions that require one answer.

14. **SECTION B**

14.1 If for example, FIVE facts are required, mark the candidate's FIRST FIVE responses and ignore the rest of the responses. Indicate by drawing a line across the unmarked portion.

**NOTE:**

1. This applies only to questions where the number of facts is specified.
2. The above also applies to responses in SECTION C (where applicable).

14.2 If two facts are written in one sentence, award the candidate FULL credit. Point 14.1 above still applies.

14.3 If candidates are required to provide their own examples/views, brainstorm this to finalise alternative answers. You can consult the subject advisor for approval.

14.4 **Use of the cognitive verbs and allocation of marks:**

14.4.1 If the number of facts are specified, questions that require candidates to 'describe/discuss/explain' may be marked as follows:

- Fact 2 marks (or as indicated in the marking guideline)
- Explanation 1 mark (two marks will be allocated in SECTION C)

The 'fact' and 'explanation' are given separately in the marking guideline to facilitate mark allocation.

14.4.2 If the number of facts required is not specified, the allocation of marks must be informed by the nature of the question and the maximum mark allocated in the marking guideline.

14.5 **ONE mark may be awarded for answers that are easy to recall, requires one-word answers or is quoted directly from a scenario/case study. This applies to SECTIONS B and C in particular (where applicable).**

15. **SECTION C**

15.1 The breakdown of the mark allocation for the essays is as follows:

Introduction	<b>Maximum:</b>
Content	
Conclusion	
Insight	<b>8</b>
<b>TOTAL</b>	<b>40</b>



15.2 Insight consists of the following components:

Layout/Structure	Is there an introduction, a body, and a conclusion?	<b>2</b>
Analysis and interpretation	Is the candidate able to break down the question into headings/subheadings/interpret it correctly to show understanding of what is being asked? Marks to be allocated using this guide: All headings addressed: 1 (One 'A') Interpretation (16 to 32 marks): 1 (One 'A')	<b>2</b>
Synthesis	Are there relevant decisions/facts/responses made based on the questions?  Marks to be allocated using this guide: Option 1: <b>Only relevant facts: 2 marks (No '-S')</b> Where a candidate answers 50% or more (two to four sub-questions) of the question with only relevant facts; no '-S' appears in the left margin. Award the maximum of TWO (2) marks for synthesis. Option 2: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with only OR some relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 3: <b>Some relevant facts: 1 mark (One '-S')</b> Where a candidate writes FOUR questions, but one sub-question of the question with no relevant facts; one '-S' appears in the left margin. Award a maximum of ONE (1) mark for synthesis. Option 4: <b>No relevant facts: 0 marks (Two '-S')</b> Where a candidate answers less than 50% (only one sub-question) of the question with no relevant facts; two '-S' appear in the left margin. Award a ZERO mark for synthesis.	<b>2</b>
Originality	Is there evidence of one or two examples, not older than two (2) years that are based on recent information, current trends and developments?	<b>2</b>
<b>TOTAL FOR INSIGHT:</b>		<b>8</b>
<b>TOTAL MARKS FOR FACTS:</b>		<b>32</b>
<b>TOTAL MARKS FOR ESSAY (8 + 32):</b>		<b>40</b>

- NOTE:**
- No marks will be awarded for contents repeated from the introduction and conclusion.**
  - The candidate forfeits marks for layout if the words INTRODUCTION and CONCLUSION are not stated.**
  - No marks will be awarded for layout, if the headings INTRODUCTION and CONCLUSION are not supported by an explanation.**


- 15.3 Indicate insight in the left-hand margin with a symbol e.g. ('L, A, -S and/or O').
- 15.4 The breakdown of marks is indicated at the end of the suggested answer/ marking guideline to each question.
- 15.5 Mark all relevant facts until the SUB MAX/MAX mark in a subsection has been attained. Write SUB-MAX/MAX. after maximum marks have been obtained but continue reading for originality "O".
- 15.6 At the end of each essay indicate the allocation of marks for facts and marks for insight as follows: (L – Layout, A – Analysis, S – Synthesis, O – Originality) as in the table below.

CONTENT	MARKS
Facts	32 (max.)
S	2
A	2
S	2
O	2
<b>TOTAL</b>	<b>40</b>

- 15.7 When awarding marks for facts, take note of the sub-maxima indicated, especially if candidates do not make use of the same subheadings. Remember, headings and subheadings are encouraged and contribute to insight (structuring/logical flow/sequencing) and indicate clarity of thought. (See MARK BREAKDOWN at the end of each question.)
- 15.8 If the candidate identifies/interprets the question INCORRECTLY, then he/she may still obtain marks for layout.
- 15.9 If a different approach is used by candidates, ensure that the answers are assessed according to the mark allocation/subheadings as indicated in the marking guideline.
- 15.10 15.10.1 Award TWO marks for complete sentences. Award ONE mark for phrases, incomplete sentences and vague answers.
- 15.10.2 With effect from November 2015, the TWO marks will not necessarily appear at the end of each completed sentence. The ticks (✓) will be separated and indicated next to each fact, e.g. 'Product development is a growth strategy, ✓ where businesses aim to introduce new products into existing markets.' ✓
- This will be informed by the nature and context of the question, as well as the cognitive verb used.
- 15.11 With effect from November 2017, the maximum of TWO (2) marks for facts shown as headings in the marking guidelines, will not necessarily apply to each question. This would also depend on the nature of the question.



**SECTION A****QUESTION 1**

- 
- 1.1 1.1.1 D √√  
1.1.2 B √√  
1.1.3 A √√  
1.1.4 C √√  
1.1.5 D √√

(5 x 2) (10)

- 1.2 1.2.1 demographics √√  
1.2.2 no √√  
1.2.3 go-slow √√  
1.2.4 intermediaries √√  
1.2.5 external √√

(5 x 2) (10)

- 1.3 1.3.1 D √√  
1.3.2 J √√  
1.3.3 I √√  
1.3.4 B √√  
1.3.5 C √√

(5 x 2) (10)

**TOTAL SECTION A: 30**

**BREAKDOWN OF MARKS**

QUESTION 1	MARKS
1.1	10
1.2	10
1.3	10
<b>TOTAL</b>	<b>30</b>



**SECTION B**

Mark the answers to the **FIRST TWO** questions only.

**QUESTION 2: BUSINESS ENVIRONMENTS****2.1 Components of the micro environment**

- Vision, mission statement, goals and objectives ✓
- Organisational structure ✓
- Organisational resources ✓
- Organisational culture ✓
- Management and leadership ✓
- Eight business functions ✓

**NOTE: Mark the first THREE (3) only.**

(3 x 1) (3)

**2.2 Functions of trade unions**

- Protecting their members against unfair labour practices in the workplace. ✓✓
- Empowering employees by educating them regarding their rights in the workplace and how to apply these rights. ✓✓
- Representing employees in meetings with their employers when they face workplace grievances and disputes./Representing employees corporately and individually. ✓✓
- Negotiating/Influencing management for better working conditions, salary or wages and other benefits to improve the standard of living for workers./Improving the material benefits of their members. ✓✓
- Protecting employees against from unfair dismissals and labour practices. ✓✓
- Taking legal action on behalf of their members when necessary. ✓✓
- Protecting/Advancing the interest of workers. ✓✓
- Representing the interest of general society and minority groups through media and negotiations. ✓✓
- Influencing government decisions. ✓✓
- Providing legal and financial advice. ✓✓
- Providing benefits and educational facilities to its members. ✓✓
- Supporting and promoting gender equality in the workplace. ✓✓
- Protecting members in times of retrenchments and disciplinary hearings. ✓✓
- Protecting the interest of their members during disciplinary procedures. ✓✓
- Any other relevant answer related to the functions of trade unions.

**Max.** (6)

**2.3 Ways businesses can form power relationships****2.3.1 Way business formed power relationship from the scenario**

Persuasion of large investors ✓✓

(2)

**2.3.2 ONE other way businesses can form power relationships**

Strategic alliance/Partnership agreements ✓✓

- Businesses form partnership agreements in order to benefit from each other's involvement. ✓
- These partnership alliances help parties involved to benefit in infrastructure development and scarce skills. ✓
- These alliances are designed to build on the expertise of each partner and on the way in which they complement each other. ✓
- Any other relevant answer related to strategic alliance/partnership agreements as a way businesses can form power relationships.

Way (2)

Description (1)

Sub-max. (3)

**Company representatives' influence ✓✓**

- This representative fulfils an important function in trying to persuade investors to invest in a particular business practice. ✓
- People will make decisions based on the company's image, personality, communication style and power of persuasion. ✓
- Businesses must invest time and energy to recruit the right person for this job. ✓
- Any other relevant answer related to company representatives' influence as a way businesses can form power relationships.

Way (2)

Description (1)

Sub-max. (3)

**NOTE:**

1. **Mark the first ONE (1) only.**
2. **Do not award marks for 'persuasion of large investors'.**

**Max. (3)**

**2.4 Negative impact of strikes as a socio-economic issue on businesses**

- Strike actions have a potential of jeopardising ✓ relations. ✓/May lead to an unhealthy relationship ✓ between the employer/management and employees. ✓
- It can also affect teamwork in the workplace ✓ in instances where not all workers are in support of such industrial action. ✓
- Businesses suffer financial losses / ✓ due to low levels of productivity and consumer confidence is adversely affected. ✓
- Strike actions may lead to production losses ✓ and decline in sales/economic growth. ✓
- Businesses may be forced to close down operations ✓ after strike actions. ✓
- May force businesses to retrench some of its skilled workers ✓ to recover from losses. ✓
- Looting, destruction of business property/infrastructure ✓ and intimidation of non-striking workers. ✓
- Employees can lose their pay ✓ with the 'no work no pay' rule applied by the business. ✓
- Businesses has to hire employees to replace striking workers ✓ and increases the training costs of new employees. ✓
- Businesses may lose market shares/customers to competitors ✓ during the period of a strike. ✓
- The image/reputation of the business ✓ might be damaged. ✓/Scares off potential investors. ✓
- The supplies of goods and services ✓ are interrupted. ✓
- Prices sometimes increase ✓ to offset the costs incurred by the strike. ✓
- Any other relevant answer related to the negative impact of strikes as a socio-economic issue on businesses.

**Max. (6)****2.5 Challenges of the business environment****2.5.1 Challenges of the market environment from the scenario**

- KF is struggling to find a reliable provider of vegetables. ✓
- Two other food retailers have also opened in the same area. ✓

- NOTE:**
1. **Mark the first TWO (2) only.**
  2. **Only award marks for responses that are quoted from the scenario.**

**(2 x 1) (2)**

### 2.5.2 Ways in which businesses can overcome competition in the market



- Businesses must ensure that they produce unique/differentiated goods or services ✓ for the target market to satisfy the customer needs and wants. ✓
- Businesses need to provide more personalised services ✓ by being responsive to their customer's needs/wants/expectations. ✓
- Goods/services must be priced lower ✓ than competitor's goods/services in the market. ✓
- Businesses must produce/sell high-quality/new goods/services ✓ that the customers might be interested in. ✓
- Create a positive image/publicity ✓ through regular engagements in community development projects. ✓
- Businesses must improve on customer service ✓ and ensuring client satisfaction. ✓
- Businesses must create a positive image/outlook ✓ by regularly renovating their premises and improving their systems. ✓
- Businesses must undertake good marketing campaigns ✓ by using promotional ideas such as posters or campaigns on social media that will draw the attention of the target market. ✓
- Businesses must offer low-cost extras ✓ such as improved credit terms and loyalty schemes. ✓
- Businesses must ensure that they have well-trained/knowledgeable and dedicated employees ✓ that create a better working atmosphere. ✓
- Keeping up with developments in the business sector, ✓ following consumer trends/investing in new technology. ✓
- Any other relevant answer related to ways in which businesses can overcome competition in the market.

**Max.** (6)



2.6 2.6.1 **Relationship between the primary, secondary and tertiary sector**



- The primary, secondary and tertiary sectors all work together ✓ to create an economic chain of production. ✓
- The primary sector extracts raw materials, ✓ after which the secondary sector transforms/processes the raw materials into products. ✓
- The secondary sector depends on the primary sector ✓ for raw materials and products. ✓
- Secondary sector needs the tertiary sector ✓ to sell their processed or manufactured goods and also for services such as banks, insurance, transport and communication. ✓
- The primary sector depends on the secondary sector ✓ for manufactured goods such as machinery/equipment/fertilisers. ✓
- The primary sector is dependent on the tertiary sector ✓ for its customer needs. ✓
- The primary sector depends on others in the primary sector ✓ for raw materials/feed e.g. a farmer may require seeds from another farm. ✓
- The secondary sector depends on other secondary industries ✓ for manufactured products needed to be used in the manufacturing of their product. ✓
- The tertiary sector depends on the primary sector ✓ for raw materials that do not need processing by the secondary sector. ✓
- The tertiary sector depends on the secondary sector ✓ for manufactured goods such as office machines/office furniture/stationery. ✓
- Any other relevant answer related to the link between the primary, secondary and tertiary sector.

**Max. (6)**



**2.7 Ways in which businesses can have a direct influence on the environment**

- Businesses need to be flexible by getting involved in research/development so that they can continue to operate. √√
- Influencing their suppliers by signing long term contracts for their raw materials at fixed prices. √√
- Influencing their customer base by creating new uses for a product, taking customers away from competitors, finding new customers and convincing them they need the new product. √√
- Influencing regulators through lobbying and bargaining and can influence their owners using information contained in annual reports. √√
- Initiating bargaining sessions between management and unions. √√
- Influencing their owners using information contained in annual reports. √√
- Negotiate strategic alliance agreement through contractual processes. √√
- Any other relevant answer related to ways in which businesses can have a direct influence on the environment.

**Max. (6)**  
**[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 2</b>	<b>MARKS</b>
<b>2.1</b>	<b>3</b>
<b>2.2</b>	<b>6</b>
<b>2.3.1</b>	<b>2</b>
<b>2.3.2</b>	<b>3</b>
<b>2.4</b>	<b>6</b>
<b>2.5.1</b>	<b>2</b>
<b>2.5.2</b>	<b>6</b>
<b>2.6</b>	<b>6</b>
<b>2.7</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>



**QUESTION 3: BUSINESS OPERATIONS****3.1 Quality control bodies**

- South African Bureau of Standards/SABS ✓
- International Organisation for Standardisation/ISO ✓
- Quality circles ✓

**NOTE: Mark the first TWO (2) only.**

(2 x 1) (2)

**3.2 Advantages of production planning**

- Planning allows businesses to ensure that every machine and worker is used to their full capacity and not left with nothing to do. ✓✓
- A business can ensure that it has the correct amount of supplies and stock/inventory control at a given time. ✓✓
- Planning will prevent time from being wasted and will increase the number of final products. ✓✓
- The planning process involves quality checks, ensures that the correct quality is reached, and that production time is decreased. ✓✓
- Improved inventory control reduces wastage and unnecessary storage cost. ✓✓
- Any other relevant answer related to the advantages of production planning.

**Max. (4)**

**3.3 Distribution policy****3.3.1 Type of intermediary from the scenario**

Retailers ✓✓

**3.3.2 Reasons why manufacturers may prefer to make use of indirect distribution methods**

- The experienced agents/intermediaries deal with customers, ✓ which allow businesses to focus on core issues. ✓
- Transportation and storage ✓ are taken care of by intermediaries. ✓
- There is no need to hire specialised staff ✓ to do sales complaints. ✓
- Businesses do not have to deal ✓ with customer complaints. ✓
- Businesses enjoy the benefits of bulk orders ✓ from wholesalers. ✓
- Better market coverage is achieved ✓ with using intermediaries. ✓
- Intermediaries understand ✓ how the market operates. ✓
- Consumers are often spread across the country, ✓ distribution needs to be widespread as well. ✓
- Indirect distribution does not require a large investment ✓ in advertising. ✓
- Intermediaries sometimes provide credit to consumers, ✓ which will help attract more consumers. ✓
- Any other relevant answer related to the reasons why manufacturers may prefer to make use of indirect distribution methods.

**Max. (6)**



### 3.4 Categories of consumer goods

#### Convenience goods ✓✓

- Consumers are not willing to spend much effort on buying convenience goods because they differ very little in terms of price, quality and the satisfaction it provides to consumers. ✓
- These are low priced goods purchased by consumers without much thought. ✓
- Example of convenience goods: bread, milk or soft drink. ✓
- Any other relevant answer related to convenience goods as a category of consumer goods.

Consumer goods (2)  
Description (1)  
**Sub-max. (3)**

#### Shopping goods ✓✓

- Shopping goods are more expensive than convenience goods. ✓
- Consumers do not buy them regularly. ✓
- They are prepared to spend a considerable amount of time and energy going to various shops until they are sure that they are getting the best value for their money. ✓
- Examples of shopping goods: television, motor vehicles or clothing. ✓
- Any other relevant answer related to shopping goods as a category of consumer goods.

Consumer goods (2)  
Description (1)  
**Sub-max. (3)**

#### Speciality goods ✓✓

- These goods usually have specific brand names. ✓
- Consumers know exactly what they want and are willing to search until they find exactly what they are looking for. ✓
- Examples of speciality goods: jewellery or branded clothing. ✓
- Any other relevant answer related to speciality goods as a category of consumer goods.

Consumer goods (2)  
Description (1)  
**Sub-max. (3)**

#### Services ✓✓

- Services are not tangible. ✓
- Services are rendered by service providers to consumers. ✓
- Example of services: garden service, financial services or transportation services. ✓
- Any other relevant answer related to services as a category of consumer goods.

Consumer goods (2)  
Description (1)  
**Sub-max. (3)**

**Unsought goods** ✓✓

- Goods that consumers do not think of until the need for such products arise. ✓
- Purchases of unsought goods may arise due to danger or fear of danger. ✓
- Examples are: funeral services, encyclopaedias, fire extinguishers and reference books. ✓
- Any other relevant answer related to unsought goods as a category of consumer goods.

Consumer goods (2)  
 Description (1)  
**Sub-max.** (3)

**NOTE: Mark the first TWO (2) only.**

**Max.** (6)

**3.5 Purpose of advertising**

- The purpose of advertising is explained by using ✓ the AIDA principles. ✓
- The AIDA principles consist of four key stages ✓ in the advertising process: ✓
  - o obtain the attention ✓ of a potential customer or consumer. ✓
  - o spark interest ✓ in the product or service. ✓
  - o develop the desire ✓ in the customer to have what is being offered. ✓
  - o induce action ✓ which may potentially lead to purchasing the product or service. ✓
- Any other relevant answer related to the purpose of advertising.

**Max.** (4)

**3.6 3.6.1 Components of the job analysis from the scenario**

COMPONENTS OF THE JOB ANALYSIS		MOTIVATIONS
1.	Job specification ✓✓	They indicated that the person should preferably have a diploma in management. ✓
2.	Job description ✓✓	The purchasing manager will be responsible for ordering stock and liaising with suppliers. ✓
Sub-max. (4)		Sub-max. (2)

- NOTE:**
1. **Mark the first TWO (2) only.**
  2. **The answer does not have to be in tabular format.**
  3. **Award marks for the components of the job analysis even if the motivation were incomplete.**
  4. **Do not award marks for the motivations if the components of the job analysis were incorrectly identified.**

**Max.** (6)

3.7 Difference between *piecemeal* and *time-related salary determination*

PIECEMEAL	TIME-RELATED
- Workers are paid according to the number ✓ of items/units produced / action performed. ✓	Workers are paid according to the amount of time/hours ✓ they spend at work/on a task. ✓
- Workers are not remunerated for the number of hours worked, ✓ regardless of how long it takes them to make the items. ✓	- Workers with the same experience/ qualifications ✓ are paid on salary scales regardless of the amount of work done. ✓
- Mostly used in factories ✓ particularly in the textile/ technology industries. ✓	- Many private and public sector businesses ✓ use this method. ✓
- Any other relevant answer related to piecemeal as a salary determination method.	Any other relevant answer related to time-related as a salary determination method.
Sub-max. (2)	Sub-max. (2)

- NOTE:**
1. The answer does not have to be in tabular format.
  2. The difference does not have to link, but must be clear.
  3. Award a maximum of TWO (2) marks if the difference is not clear/Mark either piecemeal or time-related salary determination methods only.

Max. (4)



**3.8 Legal requirements of an employment contract**

- Employment contract is an agreement between the employer and the employee and is legally binding. √√
- Employer and employee must agree to any changes to the contract. √√
- Aspects of the employment contract can be renegotiated, during the course of employment. √√
- No party may unilaterally change aspects of the employment contract. √√
- The employer and the new employee must both sign the contract. √√
- The employment contract should include a code of conduct and code of ethics. √√
- The employer must explain the terms and conditions of the employment contract to the employee. √√
- It may not contain any requirements that are in conflict with the BCEA. √√
- Conditions of employment/duties/responsibilities of the employees must be stipulated clearly. √√
- The remuneration package/including benefits must be clearly indicated. √√
- All business policies, procedures and disciplinary codes/rules can form part of the employment contract. √√
- The employer must allow the employee to thoroughly read through the contract before it is signed. √√
- Any other relevant answer related to the legal requirements of the employment contract.

**Max. (6)**  
**[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 3</b>	<b>MARKS</b>
<b>3.1</b>	<b>2</b>
<b>3.2</b>	<b>4</b>
<b>3.3.1</b>	<b>2</b>
<b>3.3.2</b>	<b>6</b>
<b>3.4</b>	<b>6</b>
<b>3.5</b>	<b>4</b>
<b>3.6</b>	<b>6</b>
<b>3.7</b>	<b>4</b>
<b>3.8</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**QUESTION 4: MISCELLANEOUS TOPICS****BUSINESS ENVIRONMENTS****4.1 Challenges of the macro environment**

- Changes in income levels ✓
- Political changes ✓
- Contemporary legal legislation ✓
- Labour restrictions ✓
- Micro-lending ✓
- Globalisation/international challenges ✓
- Social values and demographics ✓
- Socio-economic issues ✓

**NOTE: Mark the first TWO (2) only.****(2 x 1) (2)****4.2 Examples of contemporary legislation that may affect business operations**

- The Labour Relations Act regulates the relationship between the employer and employees when resolving conflict in the workplace. ✓✓
- The Basic Conditions of Employment Act provides the minimum acceptable standard for any employment policy/describes the conditions of employment. ✓✓
- The Compensation for Occupational Injuries and Diseases Act provides compensation for employees who sustain injuries or contract diseases while on duty/ensures that employers provide their employees with a safe and healthy working environment. ✓✓
- The Skills Development Act ensures that employers contribute towards the education and training of their employees. ✓✓
- Consumer Protection Act promotes and advances the social and economic welfare of consumers in South Africa. ✓✓
- National Credit Act was established to protect both businesses and consumers from negligent lending practices that could result in over-indebtedness by consumers. ✓✓
- Employment Equity Act is there to eliminate unfair discrimination, such as discrimination against race, colour, age, gender, religion, or disability in the workplace. ✓✓
- Broad Based Black Economic Empowerment ensures that previously disadvantaged individuals fully participate in the economy. ✓✓
- Any other relevant examples of contemporary legislation that may affect business operations.

**NOTE: Mark the first THREE (3) only.****Max. (6)**

4.3 4.3.1 Solutions to piracy from the scenario

SOLUTIONS TO PIRACY	MOTIVATIONS
1. Patent ✓✓	SD was worried that other business would copy their design so they registered their new invention. ✓
2. Trademark ✓✓	They also used a very special symbol of a glowing sun to enable customer to identify their drones. ✓
Sub-max. (4)	Sub-max. (2)

- NOTE:**
1. Mark the first TWO (2) only.
  2. The answer does not have to be in tabular format.
  3. Award marks for the solutions to piracy even if the motivation were incomplete.
  4. Do not award marks for the motivations if the solutions to piracy were incorrectly identified.

**Max. (6)**



#### 4.4 Purpose of the Labour Relations Act/LRA

- Provide a framework/structure for governing the labour relations ✓ between employer and employees. ✓
- Regulates the rights of trade unions and facilitates ✓ collective bargaining processes to take place in the workplace. ✓
- Encourages the establishment of workplace forums ✓ where employees may participate in decision-making. ✓
- Encourages fair labour practice ✓ between the employer and employees. ✓
- Makes provision for the establishment of the Labour Courts and Labour Appeal Courts ✓ to deal with labour issues. ✓
- Establishes the Commission for Conciliation, Mediation and Arbitration (CCMA) to resolve labour disputes ✓ through statutory conciliation, mediation and arbitration. ✓
- Provides a framework where the employees, trade unions and employers work together ✓ to discuss matters relating to employment, e.g. wages, conditions of employment. ✓
- Promotes orderly negotiations and employee participation ✓ in decision-making in the workplace. ✓
- Provides simple procedures ✓ for the registration of trade unions and employers' organisations. ✓
- Regulates the effectiveness of bargaining councils ✓ and statutory councils. ✓
- Endorses the right to strike against retrenchments, ✓ and facilitates labour disputes. ✓
- Clarifies the transfer ✓ of contracts of employment procedures. ✓
- Deals with ✓ strikes and lockouts and workplace forums.
- Establishes workplace forums to promote ✓ the interest of all employees in the workplace whether they belong to the trade union or not. ✓
- Advances economic development/social justice/labour peace ✓ to ensure the workplace maintain the basic rights of employees. ✓
- Any other relevant answer related to the purpose of the Labour Relations Act.

**Max. (6)**



**BUSINESS OPERATIONS****4.5 Types of packaging**

- Packaging for immediate use/Unit packaging ✓
- Packaging for double use ✓
- Packaging for resale ✓
- Kaleidoscopic/Frequently changing packaging ✓
- Speciality packaging ✓
- Combination packaging ✓

**NOTE: Mark the first FOUR (4) only.**

(4 x 1) (4)

**4.6 Selection procedure as a human resources activity****OPTION 1**

- Determine fair assessment criteria on which selection will be based. ✓✓
- Applicants must submit the application forms/curriculum vitae and certified copies of personal documents/IDs/proof of qualifications. ✓✓
- Sort the received documents/CVs according to the assessment/ selection criteria. ✓✓
- Screen/Determine which applications meet the minimum job requirements and separate these from the rest. ✓✓
- Preliminary interviews are conducted if many suitable applications were received. ✓✓
- Reference checks should be made to verify the content of CVs, e.g., contact previous employers to check work experience. ✓✓
- Compile a shortlist of potential candidates identified. ✓✓
- Shortlisted candidates may be subjected to various types of selection tests e.g. skills tests. ✓✓
- Invite shortlisted candidates for an interview. ✓✓
- A written offer is made to the selected candidate. ✓✓
- Inform unsuccessful applicants about the outcome of their application./Some adverts indicate the deadline for informing only successful candidates. ✓✓
- Any other relevant answer related to the selection procedure as a human resource activity.

**OR**





**OPTION 2**

- Receive documentation such as application forms and sort it according to the criteria of the job. √√
- Evaluate CVs and create a shortlist/Screen the applicants. √√
- Check information in the CVs and contact references. √√
- Conduct preliminary sifting interviews to identify applicants who are not suitable for the job, although they meet all requirements. √√
- Assess/Test candidates who have applied for senior positions/to ensure the best candidate is chosen. √√
- Conduct interviews with shortlisted candidates. √√
- Offer employment in writing to the selected candidate(s). √√
- Any other relevant answer related to the selection procedure as a human resource activity.

**NOTE: The procedure may be in any order.**

**Max. (4)**

**4.7 Ways in which businesses can comply with the Occupational Health and Safety Act**

**4.7.1 Ways in which businesses comply with the Occupational Health and Safety Act from the scenario**

- SB ensures that their first aid boxes are always available. √
- They also make fire extinguishers available in the workplace. √

**NOTE: 1. Mark the first TWO (2) only.  
2. Only award marks for responses that are quoted from the scenario.**

**(2 x 1) (2)**

**4.7.2 Other ways in which businesses can comply with the Occupational Health and Safety Act**

- Provide workers with protective gear √ to protect themselves against potentially dangerous situations. √
- Fire extinguishers need to be serviced √ regularly. √
- Machinery must be maintained √ at regular intervals and repaired promptly. √
- Employers who employ more than twenty employees √ must appoint at least one health and safety representative for every 100 employees. √
- Ensure health and safety of persons at work √ and during the use of plants and machinery. √
- Any other relevant answer related to other ways in which SB can comply with the Occupational Health and Safety Act.

**NOTE: Do not award marks for responses that were quoted in QUESTION 4.7.1**

**Max. (4)**

**4.8 Precautionary measures that businesses should take when handling machinery**

- All machinery and equipment must be correctly installed and safe to use. √√
- Workers must be properly trained on how to use machinery and must be informed about the risks when using the machinery. √√
- Regular safety checks must be carried out and machinery should be maintained and serviced regularly. √√
- Workers need to wear protective clothing and gear such as overalls, hard hats and safety helmets, ear plugs, masks, heavy-duty safety boots, welding goggles and gloves when working with machinery and equipment. √√
- Develop a culture of safety in the workplace. √√
- Familiarise employees with safety procedures. √√
- Any other relevant answer related to the precautionary measures that businesses should take when handling machinery.

**Max. (6)  
[40]**

**BREAKDOWN OF MARKS**

<b>QUESTION 4</b>	<b>MARKS</b>
<b>4.1</b>	<b>2</b>
<b>4.2</b>	<b>6</b>
<b>4.3</b>	<b>6</b>
<b>4.4</b>	<b>6</b>
<b>4.5</b>	<b>4</b>
<b>4.6</b>	<b>4</b>
<b>4.7.1</b>	<b>2</b>
<b>4.7.2</b>	<b>4</b>
<b>4.8</b>	<b>6</b>
<b>TOTAL</b>	<b>40</b>

**TOTAL SECTION B: 80**



**SECTION C**

Mark the answers to the **FIRST** question only.

**QUESTION 5: BUSINESS ENVIRONMENTS (ADAPTING TO CHALLENGES OF THE BUSINESS ENVIRONMENT)**

**5.1 Introduction**

- Networking refers to a coordinated activity where people who have similar objectives meet and exchange information and ideas. ✓
- Lobbying allows for individuals, businesses and organisations to use their influence to change government policy. ✓
- Necessary measures need to be put in place by businesses to assist in minimising the effects of these challenges. ✓
- Businesses have the responsibility to become more socially responsible by giving back to communities. ✓
- Any other relevant introduction related to the advantages of networking/types of lobbying/ways in which businesses can adapt to challenges of the business environments/projects that can be undertaken by businesses as part of social responsibility. (Any 2 x 1) (2)

**5.2 Advantages of networking**

- Businesses can attract new customers resulting in increased market share and profitability. ✓✓
- Networking can be an excellent source of new perspectives and business ideas. ✓✓
- Allows managers to build new business relationships and generate new business opportunities. ✓✓
- Plays a role in the marketing and expansion of a business. ✓✓
- Assists businesses in making future business decisions. ✓✓
- Businesses can gain support when representation to various authorities is planned. ✓✓
- Any other relevant answer related to the advantages of networking. **Max.** (10)

**5.3 Types of lobbying**

**5.3.1 Hedging against inflation**

- The business use hedging by buying bonds, shares, property or buying precious metals like gold ✓ to protect capital from the effects of inflation. ✓
- Businesses invest surplus fund ✓ so that its value grows at a faster rate than inflation. ✓
- Businesses use hedging to protect their financial investments ✓ by spreading the risk. ✓
- Any other relevant answer related to hedging against inflation as a type of lobbying.

Sub-max. (6)



### 5.3.2 Bargaining sessions between management and unions

- These sessions enable employees to negotiate with employers as a group ✓ to protect employees' rights. ✓
- Bargaining sessions prevent labour strikes and provide critical information ✓ to people in power. ✓
- The purpose of bargaining sessions is to find a win-win situation ✓ for all parties. ✓
- Any other relevant answer related to bargaining session between management and unions as a type of lobbying.

Sub-max. (6)  
Max. (12)

## 5.4 Ways in which businesses can adapt to challenges of the business environments

### 5.4.1 Information management ✓✓

- Information must be found/recorded/stored/easily retrieved ✓ and effectively used. ✓
- Businesses need to implement an effective information management system ✓ which is accessible and useful to all staff. ✓
- Information must be managed efficiently and a system must be put in place ✓ so that the relevant staff can easily access it. ✓
- Any other relevant answer related to information management as a method to adapt to challenges of the business environments.

Way (2)  
Discussion (4)  
Sub-max. (6)

### 5.4.2 Strategic responses ✓✓

- Management needs to design strategic responses to various challenges ✓ by analysing all information, identifying stakeholders involved. ✓
- Get a clear picture ✓ of each stakeholder's viewpoints and requirements. ✓
- Businesses should have a strategic plan ✓ to respond to changes in the business environment. ✓
- Any other relevant answer related to strategic responses as a method to adapt to challenges of the business environments.

Way (2)  
Discussion (4)  
Sub-max. (6)



**5.4.3 Mergers, takeovers, acquisitions and alliances** ✓✓

- Businesses can acquire the shares ✓ of another company. ✓
- Businesses can choose to purchase/merge with another business ✓ as a way to have a larger market share. ✓
- They can undertake a new venture with another company, ✓ which can be a safer way than expanding the existing business. ✓
- Any other relevant answer related to mergers, takeovers, acquisitions and alliances as a method to adapt to challenges of the business environments.

Way (2)  
Discussion (4)  
Sub-max. (6)

**5.4.4 Organisation design and flexibility** ✓✓

- Businesses need to be flexible in their organisational design and strategies ✓ so that they can compete in a changing market. ✓
- Organisation design is a process to integrate people/information/technology of an organisation ✓ so that improves the profitability of the business. ✓
- Any other relevant answer related to organisational design and flexibility as a method to adapt to challenges of the business environments.

Way (2)  
Discussion (4)  
Sub-max. (6)





5.4.5 **Direct influence of the environment and social responsibility** ✓✓

- Businesses need to be flexible by getting involved in research and development ✓ so that if resources run out or if environmental legislation changes the business can adapt and continue to operate. ✓
- Social responsibility refers to the obligations a business has ✓ to protect and improve the interests of all its stakeholders. ✓
- Through social responsibility a business can influence its business environments ✓ and address challenges linked to socio-economic issues in its social environment. ✓
- Businesses must be more aware and involved in social responsibility projects and programmes ✓ that can benefit the community. ✓
- Take part in projects that uplift the community ✓ in which the business operates. ✓
- Businesses use CSI projects ✓ as a marketing tool for their business. ✓
- Any other relevant answer related to direct influence of the environment and social responsibility as a method to adapt to challenges of the business environments.

Way (2)  
Discussion (4)  
Sub-max. (6)

**NOTE: Mark the first THREE (3) only.**

**Max. (14)**



### 5.5 Projects that can be undertaken by businesses as part of social responsibility

- Businesses must allow employees to get involved in social development programmes. ✓✓
- Businesses must protect the environment and participate in community upliftment programmes. ✓✓
- Engage in environmentally friendly campaigns such as recycling or re-using scarce resources. ✓✓
- Businesses must support less fortunate people, by providing donations to charity organisations./Charitable contribution towards NGOs/Businesses can donate blankets to old age homes/running soup kitchens. ✓✓
- They can also engage in economic development and provide education on HIV/AIDS awareness programmes. ✓✓
- Involvement in community education/Build schools in communities/ Offer bursaries to needy students/Donate old computers to less privileged schools/Provide/Support adult education and training in the local community. ✓✓
- Teach entrepreneurial skills/Offer support to individuals starting new business ventures. ✓✓
- Conduct skills development/job creation projects/Offering bricklaying courses. ✓✓
- Sponsor art and cultural programmes, such as school choirs. ✓✓
- Support youth programmes, such as sport/recreational activities. ✓✓
- Any other relevant answer related to projects that can be undertaken by businesses as part of social responsibility

**Max.** (10)

### 5.6 Conclusion

- Management can use networking to reach as many people as possible and make every connection count. ✓✓
- Businesses should try to influence legislation or the government decision-making processes to remain profitable. ✓✓
- Adapting to challenges of the business environment can be achieved by businesses if management stay abreast with the latest developments. ✓✓
- Social responsibility projects undertaken by businesses can be used as a marketing strategy to promote their products. ✓✓
- Any other relevant conclusion related to the advantages of networking/ types of lobbying/ways in which businesses can adapt to challenges of the business environments/projects that can be undertaken by businesses as part of social responsibility.

(Any 1 x 2)

(2)  
**[40]**

**QUESTION 5: BREAKDOWN OF MARKS**

<b>DETAILS</b>	<b>MAXIMUM</b>	<b>TOTAL</b>
Introduction	<b>2</b>	<b>Maks. 32</b>
Advantages of networking	<b>10</b>	
Types of lobbying: ○ Hedging against inflation ○ Bargaining sessions between management and unions	<b>12</b>	
Ways in which businesses can adapt to challenges of the business environments	<b>14</b>	
Projects that can be undertaken by businesses as part of social responsibility	<b>10</b>	
Conclusion	<b>2</b>	
<b>INSIGHT</b>		
Layout	<b>2</b>	<b>8</b>
Analysis, interpretation	<b>2</b>	
Synthesis	<b>2</b>	
Originality/Examples	<b>2</b>	
<b>TOTAL MARKS</b>		<b>40</b>

\*LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met

Allocate 0 marks where requirements are not met at all.

**QUESTION 6: BUSINESS OPERATIONS (MARKETING FUNCTION)****6.1 Introduction**

- Pricing is the easiest of all the marketing variables to influence but it is amongst the most complex decisions to make. ✓
- Various pricing techniques can be used to determine the final prices of products. ✓
- The factors that influence pricing of products should be well understood by all stakeholders in the business to allow for the application of the pricing structure chosen. ✓
- Businesses make use of sale promotions by using various marketing methods that are aimed at improving consumer demand in particular products/services of the business. ✓
- Any other relevant introduction related to the importance of pricing/pricing techniques/factors that influence pricing/purpose of sale promotions.

(Any 2 x 1) (2)



## 6.2 Importance of pricing

- It defines the value of the product in terms of production costs and customer use. √√
- It is a tangible price point that lets customers know whether the product will be worth their time and investment. √√
- The pricing process needs to consider flexibility/discount/territory/life cycle status/allowance. √√
- The price of a product can influence the consumers' attitude towards the product or the brand. √√
- Pricing affects the number of products that an enterprise is able to sell, which in turn, affects profitability. √√
- Pricing too high may have a negative impact/decrease in sales. √√
- If the price is too low, consumers may perceive the product as being of poor quality. √√
- The price of a product must make provision for transport costs. √√
- The price of a product should take the VAT into account. √√
- The pricing policy should explain when and to whom discounts will be granted. √√
- Low sales result in stockpiles of unsold product that have to be stored and not repaying the cost of manufacturing that product. √√
- Any other relevant answer related to the importance of pricing.

**Max.** (12)

## 6.3 Pricing techniques

### 6.3.1 Cost-based pricing

- Cost-based pricing is the practice of setting prices √ based on the cost of the goods or services being sold. √
- A profit percentage or fixed profit figure is added to the cost of an item, √ which determines the price at which it will be sold. √
- The costs of production and supply are calculated, √ and a suitable profit margin is added to determine the selling price. √
- Any other relevant answer related to cost-based pricing as a pricing technique.

**Sub-max.** (6)



**6.3.2 Competition based pricing**



- Competition-based pricing is a pricing method that involves setting prices ✓ in relation to the prices of competitors. ✓
- This approach is also called going rate pricing ✓ or competitive pricing. ✓
- The more competition in the market, ✓ the lower prices are likely to be. ✓
- If the price is set at a higher level than competitors, ✓ consumers may be convinced that the product is better in terms of quality and usefulness. ✓
- Any other relevant answer related to competition-based pricing as a pricing technique.

Sub-max. (6)  
**Max. (12)**

**6.4 Factors that influence pricing**

**6.4.1 Input costs** ✓✓

- The higher the input costs, the higher the final price. ✓
- An increase in transport could increase the final price. ✓
- Any other relevant answer related to the input costs as a factor that influence pricing.

Factor (2)  
 Discussion (1)  
 Sub-max. (3)

**6.4.2 Demand for the product** ✓✓

- The higher the demand for a product the higher the production volume. ✓
- Any other relevant answer related to the demand for the product as a factor that influence pricing.

Factor (2)  
 Discussion (1)  
 Sub-max. (3)

**6.4.3 Target market** ✓✓

- The income level of the target market could influence the price of a product. ✓
- Any other relevant answer related to the target market as a factor that influence pricing.



Factor (2)  
 Discussion (1)  
 Sub-max. (3)

**6.4.4 Type of product** ✓✓

- Luxury products can be priced higher than necessities. ✓
- Any other relevant answer related to the type of product as a factor that influence pricing.

Factor (2)  
Discussion (1)  
Sub-max. (3)

**6.4.5 Pricing technique used to determine the price** ✓✓

- Promotional pricing could be lower than demand-oriented pricing. ✓
- Any other relevant answer related to the pricing technique used to determine the price as a factor that influence pricing.

Factor (2)  
Discussion (1)  
Sub-max. (3)

**6.4.6 Competitive and substitute products** ✓✓

- If there are similar products that could replace a product, a high price may result in a loss of sales to the substitute. ✓
- If the price and demand for complementary goods increase, the other product may increase at the same rate, for example, prices of computers and keyboards may increase at the same time. ✓
- Any other relevant answer related to the competitive and substitute products as a factor that influence pricing.

Factor (2)  
Discussion (1)  
Sub-max. (3)

**6.4.7 The economic climate and availability of goods and services** ✓✓

- When there is a shortage of a certain product, people are prepared to pay more for it. ✓
- Any other relevant answer related to the economic climate and availability of goods and services as a factor that influence pricing.

Factor (2)  
Discussion (1)  
Sub-max. (3)

#### 6.4.8 Forms of markets ✓✓



The following forms of markets will affect the pricing:

- Perfect competition/The number of buyers and sellers is very large. ✓
- Products are similar and there are many substitute products, for example, shares traded on the JSE. ✓
- Monopolistic competition/There are many suppliers/sellers. ✓
- Each supplier has his/her brand of a particular product, for example, restaurants such as McDonalds/Burger King/Steers, and so on. ✓
- Oligopoly/Only a few suppliers/sellers control the prices of products. ✓
- Products are homogenous/same, for example, MTN, Vodacom/Cell C. ✓
- Monopoly/Only one supplier/seller controls prices and products. ✓
- Profit margins are usually higher because consumers do not have any alternatives, for example, Eskom. ✓
- Any other relevant answer related to the forms of markets as a factor that influence pricing.

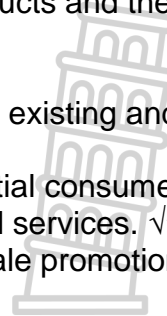
Factor (2)  
Discussion (1)  
Sub-max. (3)

**NOTE: Mark the first FOUR (4) only.**

**Max. (12)**

#### 6.5 Purpose of sale promotions

- Increase and improve the number of products and services sold to customers and increase the sales of products of the business. ✓✓
- Inform existing and new potential customers about the products and services of the business. ✓✓
- Build long-lasting relationships with customers. ✓✓
- Persuade immediate purchases with potential customers. ✓✓
- Determine which sales promotion methods work the best at reaching the target market. ✓✓
- Provide customers with products and services equal to the value promoted in marketing communication. ✓✓
- Remind the target market about current and new products and the availability thereof. ✓✓
- Reconnect with the existing target market. ✓✓
- Improve overall brand awareness of the business with existing and new potential customers. ✓✓
- Improve customer loyalty with existing and new potential consumers. ✓✓
- Activate dormant customers to purchase products and services. ✓✓
- Any other relevant answer related to the purpose of sale promotions.



**Max. (10)**

## 6.6 Conclusion

- The correct pricing of product/services determines the sales and success of the business in the long-run. ✓✓
- The many different pricing techniques available to businesses allows for the use of a combination of these techniques. ✓✓
- Businesses need to carefully considers all the factors that influence their pricing to ensure that their success is not short lived. ✓✓
- The use of sale promotions needs to be well-researched to ensure that the smaller profit margin per item does not negatively affect the profitability of the business. ✓✓
- Any other relevant conclusion related to the importance of pricing/pricing techniques/factors that influence pricing/purpose of sale promotions.

(Any 1 x 2) (2)

**[40]****QUESTION 6: BREAKDOWN OF MARK ALLOCATION**

DETAILS	MAXIMUM	TOTAL
Introduction	2	<b>Max. 32</b>
Importance of pricing	12	
Pricing techniques: ○ Cost-based pricing ○ Competition based	12	
Factors that influence pricing	12	
Purpose of sale promotions	10	
Conclusion	2	
<b>INSIGHT</b>		
Layout	2	<b>8</b>
Analysis, interpretation	2	
Synthesis	2	
Originality/Examples	2	
<b>TOTAL MARKS</b>		<b>40</b>

\*LASO – For each component:

Allocate 2 marks if all requirements are met.

Allocate 1 mark if only some of the requirements are met.

Allocate 0 marks where requirements are not met at all.

**TOTAL SECTION C: 40**  
**GRAND TOTAL: 150**